



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: September 15, 1999
TO: Brenda Hawkins, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
RE: Docket No. 991323-TX, Williams Local Network, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM APC*

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

Also Section 364.01 (3) and (4) states that:

(3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.

and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

Regarding the showing of financial capability, the Finance staff has analyzed the unaudited financial statements of Williams Local Network, Inc. (WLN) for the six month period ending June 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, WLN has adequate liquidity and sufficient common equity, but reports negative income for the period.

AFA _____ In this matter, WLN is asking for a certificate to provide alternative local exchange
 APP _____ telecommunications service. For purposes of granting a certificate based on the financial
 CAF _____ information provided, the financial capability appears adequate. The applicant attests to its
 CMU _____ financial capability to provide and maintain the proposed telecommunications service by noting
 CTR _____ that it has entered into to an unsecured credit agreement to borrow up to \$300 million as needed.
 EAG _____ Based on this showing, the applicant appears to meet the financial capability standard of Section
 LEG _____ 364.337, Florida Statutes.
 MAS _____
 OPC _____
 PAI _____
 SEC _____
 WAW _____
 OTH _____

To: Division of Legal Services
 Division of Records and Reporting (2)

DOCUMENT NUMBER-DATE
 11181 SEP 17 99
 PSC-RECORDS/REPORTING

DOCKET NO. 991323-~~3~~
WILLIAMS LOCAL NETWORK, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/30/99
CURRENT ASSETS	\$957,840
CURRENT LIABILITIES	533,662
CURRENT RATIO	1.79
CASH	73,706
COMMON EQUITY	954,566
TOTAL DEBT	1,414,231
TOTAL INVESTOR CAPITAL	2,368,797
COMMON EQUITY RATIO	40%
NET INCOME	(196,065)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure